

## Appendix B: Financial Responsibilities Questions

The purpose of these additional questions is to garner a more complete understanding of the respondent's plan for partnership with Talbot County. Our goal is to get a sense of your approach to this public-private partnership through informative yet brief responses to the questions below. Unless otherwise noted, please limit all responses to ½ page or less, consistent with the text boxes allowed for each question. **Please submit Appendix B electronically in its native Microsoft Word format. Failure to follow these instructions may result in rejection of the response.**

**Financing** is any borrowing required or any investments provided. **Funding** is resources that can include subscriber revenues, taxes, or other sources that are used to cover operation, maintenance, debt service, and other expenses.

- (1) What, if any, financial requirements do you have of the County in order to enter into a partnership?

- (2) How do you propose to finance the network build-out? Please note we are defining funding as providing money for the FTTP operation and debt service, while financing, is the means of raising money, as a bond issuance, to finance the FTTP construction and start-up costs.

- (3) How do you propose the financing be secured? By whom and with what guarantees?

- (4) Will the County be required to make any service payments to you, your partner(s), or a separate limited liability company (LLC) created for the partnership?

☐ Yes

☐ No

- 4a. If "Yes," will these payments be subject to a consumer price index (CPI) increase?

☐ Yes

☐ No

☐ N/A

- 4b. If "Yes," what are the conditions of payment obligations from the County to you, your partner(s), or your LLC? (If "No," please enter "N/A" for Question 5b.)

- (5) Will the County be required to make any service payment guarantees to you, your partner(s), or a separate limited liability company (LLC) created for the partnership?

☐ Yes

☐ No

- 5a. If "Yes," will these payments be subject to a consumer price index (CPI) increase?

☐ Yes

☐ No

☐ N/A

- 5b. If "Yes," what are the conditions of payment guarantees from the County to you, your partner(s), or your LLC? (If "No," please enter "N/A" for Question 5b.)

- (6) Will you, your partner(s), or your LLC be required to make any service payments directly to the County?

☐ Yes

☐ No

- 6a. If "Yes," will these payments be subject to a CPI increase?

☐ Yes

☐ No

☐ N/A

- (7) How is the project funded? Please note we are defining funding as providing money for the FTTP operation and debt service, while financing, is the means of raising money, as a bond issuance, to finance the FTTP construction and start-up costs.

- (8) If subscriber revenues are projected to fund the project:

8a. Are these revenues subject to CPI in your financial projections?

☐ Yes

☐ No (If "No," please enter "N/A" for Questions 8a through 8e.)

☐ N/A (If "N/A," please enter "N/A" for Questions 8a through 8e.)

8b. What is your marketing approach to reach subscriber revenue projections?

8c. What would be your sales objectives (in subscribers) in years 1, 2, and 3?

8d. What take rate do your projections assume?

8e. What are the key themes of a marketing strategy you would implement in the partnership?

(9) Do you propose a basic free service?

☐ Yes

☐ No (If "No," please enter "N/A" for Questions 9a and 9b.)

9a. If yes, who is required to support the operating expenses of delivering the service?

9b. How are funds for support of the free service generated?